

## **CALWEST BANCORP ANNOUNCES FINANCIAL RESULTS AS OF DECEMBER 31, 2014**

Company Release – January 29, 2015

**Full Year Net Income of \$369,000**

**Non-Performing Loans decrease 61% year-over-year**

**Non-Performing Assets as a percentage of Total Assets down to 0.51%**

**Tier 1 Leverage Capital and Total Risk Based Capital Ratios at 6.18% and 13.05%**

IRVINE, California – CalWest Bancorp (OTCBB: CALW), the holding company for South County Bank N.A., today announced the consolidated financial results for the twelve-months ended December 31, 2014.

Significant items for the period ending include:

- Full-year net income was \$369,000, compared to net income a year ago of \$229,000
- Net interest income for the year was \$3.94 million, a 5.2% increase compared to last year
- Total deposits were \$124 million, with 34% non-interest bearing, keeping cost-of-deposits at 0.38%
- Non-performing loans reduced 61% year-over-year, and ended the year at 0.51% of Total Assets
- The ALLL ratio remains strong at 4.29%
- Bank Tier 1 Leverage Capital ratio ended the year at 6.18%, up from 5.53% last year
- Bank Total Risk Based Capital ratio ended the year at 13.05%, up from 12.35% last year

“We have come a long way from the days when our Texas Ratio approached 98% to ending the year with a Texas Ratio of 6.1%, no OREO assets, all performing loans current, and all but one of our non-accruing loans paying-as-agreed”, noted Glenn Gray, President and CEO of CalWest Bancorp and South County Bank. “Despite a good year regarding new loan generation, our net loan growth was low due to the very active refinance market for commercial real estate. As we head into 2015 we are encouraged by the prospects of exiting our Consent Order and taking advantage of our low cost of funds and ample liquidity to organically increase our loan portfolio.”

CalWest Bancorp is the parent company of South County Bank, a community bank recognized for its exemplary service to entrepreneurs, high net worth individuals and non-profit organizations located throughout Southern California. The Bank serves the business community through its four branches located in Rancho Santa Margarita, Irvine, Huntington Beach and Redlands.

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Source: CalWest Bancorp

This release may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact Bancorp's earnings in future periods. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "intend," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may." Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, the economic uncertainty in the United States and abroad, changes in interest rates, deposit flows, real estate values, expected future cash flows on acquired loans, and competition; changes in accounting principles, policies or guidelines; changes in legislation or regulation; and other economic, competitive, governmental, regulatory and technological factors affecting Bancorp's operations, pricing, products and services. Bancorp undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

CalWest Bancorp Financial Summary

	UNAUDITED			UNAUDITED		
	At or For the Three Months			At or For the Twelve Months		
	Ended December 31,			Ended December 31		
	2014	2013	% Change	2014	2013	% Change
<b>Summary of Operations: (In thousands \$)</b>						
Interest income	\$ 1,107	\$ 1,200	-7.8%	\$ 4,602	\$ 4,446	3.5%
Interest expense	153	173	-11.6%	665	703	-5.4%
Net interest income	954	1,027	-7.1%	3,937	3,743	5.2%
Provision for loan losses	(72)	(500)	-85.6%	(405)	(500)	-19.0%
Net interest income (loss) after provision for loan losses	1,026	1,527	-32.8%	4,342	4,243	2.3%
Non-interest income	355	352	0.9%	1,575	1,323	19.0%
Non-interest expense	1,333	1,442	-7.6%	5,546	5,335	4.0%
Income before income taxes	48	437	-89.0%	371	231	60.6%
Income taxes	-	-	0.0%	2	2	0.0%
Net Income (Loss)	\$ 48	\$ 437	-89.0%	\$ 369	\$ 229	61.1%

	UNAUDITED			UNAUDITED		
	4Q 2014	4Q 2013	% Change	YTD 2014	YTD 2013	% Change
<b>Per Share Data: (Not in thousands \$)</b>						
Income (Loss) per share - basic	\$ 0.02	\$ 0.17	-89.0%	\$ 0.15	\$ 0.09	61.1%
Shares outstanding - basic	2,521,488	2,521,488	0.0%	2,521,488	2,521,488	0.0%

	UNAUDITED		
	Ended December 31,		
	2014	2013	% Change
<b>Balance Sheet Summary: (In thousands \$)</b>			
Cash and Due From	\$ 3,502	\$ 4,721	-25.8%
Interest Bearing Deposits in other banks	13,440	3,381	297.5%
Investment securities	42,676	49,845	-14.4%
Fed Funds Sold	4,660	16,515	-71.8%
Loans held for sale	372	429	-13.3%
Loans, net of deferred fees	62,164	61,388	1.3%
Allowance for loan losses ("ALL")	(2,680)	(2,949)	-9.1%
Net Loans	59,484	58,439	1.8%
Other Real Estate Owned	-	984	-100.0%
Company Owned Life Insurance	6,358	6,176	2.9%
Federal Reserve Bank and Federal Home Loan Bank Stock	1,067	1,067	0.0%
Other Assets	1,020	1,365	-25.3%
Total assets	\$ 132,579	\$ 142,922	-7.2%

Non-Interest Bearing Deposits	\$ 41,764	\$ 47,503	-12.1%
Interest Bearing Deposits	81,854	87,956	-6.9%
Total deposits	123,618	135,459	-8.7%
Subordinated Debentures and Notes	3,698	3,698	0.0%
Accrued Interest and other Liabilities	1,104	1,117	-1.2%
Total shareholders' equity	4,159	2,648	57.1%
Total Liabilities and Shareholders Equity	\$ 132,579	\$ 142,922	-7.2%

<b>Selected Data (In thousands \$) and Ratios:</b>			
Non-performing Loans	\$ 675	\$ 1,728	-60.9%
30 - 120 Days Delinquent Loans	\$ -	\$ -	0.0%
Texas Ratio	6.15%	26.72%	-77.0%
Return on average assets	0.26%	0.16%	67.3%
Return on average shareholders equity	9.94%	7.04%	41.2%
Net interest margin	3.19%	2.85%	12.2%
Cost of Deposits	0.38%	0.39%	-2.6%
ALL to loans ratios	4.29%	4.77%	-10.2%
Net loans to deposits ratio	48.12%	43.14%	11.5%
Bank leverage capital ratio	6.18%	5.53%	11.8%
Bank total risk based capital ratio	13.05%	12.35%	5.7%
Employees (full time equivalent) (Not in thousands)	36	38	-5.3%

